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SUBJECT: EGYPT'S ECONOMY: FEBRUARY 10 PRESS ROUND-UP

11. (U) The following are notable economic news stories that appeared over the past week in the Egyptian press:

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Egypt Opposes AU Stance on the Copenhagen Accord  
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12. (U) Mona Amr, the Assistant Minister for African Affairs in Egypt's Ministry of Foreign Affairs, indicated that the GOE opposes the decision of the recent African Union summit to endorse the Copenhagen Accord on climate change. Amr said that Egypt, which has declined to associate itself with the accord, bases its opposition on Egypt's support for developing nations (Al Ahram, 2/3/2010).

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Sugar "Crisis" in the Egyptian Market  
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13. (U) Al Ahram newspaper labeled the recent rise in sugar prices a "crisis" for the Egyptian market, with prices reaching LE 6 (US\$1.10) per kilogram and the expectation that they will continue to rise. Al Ahram quoted unnamed market analysts who blamed monopolistic practices for the rise in sugar prices. (Al Ahram, 2/4/2010).

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Nazif and Rachid Pledge Support for Egyptian Exports  
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14. (U) Minister of Trade and Industry Rachid Mohamed Rachid held a meeting with the heads of export councils representing several economic sectors to discuss the plan of the Ministry to significantly increase Egyptian exports within four years. Prime Minister Ahmed Nazif has endorsed the plan, which calls for exports to grow to above LE 200 billion (US\$36.4 billion), nearly twice the current value of Egypt's exports. Nazif described export growth as essential to restoring Egypt's high GDP growth rates, and said that the GOE will provide various incentives to exporters to help them overcome the impacts of the global economic crisis (Al Ahram, Al

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Shortage of Butane Gas Prompts Outcry  
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15. (U) Long lines and minor clashes were reported around Egypt as a result of a shortage of subsidized butane gas cylinders. The cylinders, which are used by many Egyptians for home energy needs, have been selling for up to LE 60 (US\$10.94) on the black market, well above the official price of LE 4 (US\$0.73). Several Members of Parliament have called for an investigation into the shortage, and have called upon the relevant ministries to act to alleviate it. The Ministry of Petroleum has pledged to increase the available number of cylinders by 100,000, out of an estimated 27-32 million cylinders currently in use. The Ministry of Social Solidarity has called for the cylinders to be distributed under an annual coupon system (Al Ahram, Al Masry Al Youm, Al Shorouk, 2/3/2010, 2/4/2010, 2/8/2010).

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Report Says Poverty, Child Labor on the Rise  
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16. (U) Al Masry Al Youm reports that a special committee formed by the Parliament has concluded that poverty and illiteracy rates are rising in Egypt. The Parliamentary committee warned that per capita incomes and education levels are declining in Egypt, while child labor is on the rise (Al Masry Al Youm, 2/8/2010).  
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